

PROVINCE OF SASKATCHEWAN



07-08

ANNUAL REPORT

INFORMATION
TECHNOLOGY OFFICE

Table of Contents

Letters of Transmittal	2
Introduction	3
Ministry Overview	4
Progress in 2007-2008	6
A New Government Direction – Growth, Security and Promises	6
Minister's Mandate Letter, November 2007	6
Speech from the Throne, December 2007	7
Progress by Key Program	8
2007-2008 Financial Overview	21
For More Information	23
ITO Acts and Regulations	23
Appendix: ITO Organizational Chart	24

This annual report is also available in electronic format from the ministry's website at www.ito.gov.sk.ca.

Letters of Transmittal



His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May It Please Your Honour:

The election of a new government in November 2007 has meant a change in direction for Saskatchewan as the government seeks to build on values of growth, security and fulfilling promises. The job ahead is to translate our province's economic momentum into sustained prosperity for all Saskatchewan people.

The new government is also committed in the coming year to expanding accountability and delivering on commitments made in the election, the 2007 Speech from the Throne and elsewhere.

This report provides progress on the commitments made in respect to the work of the Information Technology Office for the fiscal year ended March 31, 2008.

With respect,

A handwritten signature in dark ink, appearing to read 'Dan D'Autremont'.

Dan D'Autremont
Minister Responsible for the Information Technology Office



The Honourable Dan D'Autremont
Minister Responsible for the Information Technology Office

Dear Sir:

I have the honour of submitting the Annual Report of the Information Technology Office for the fiscal year ended March 31, 2008.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Don Wincherauk'.

Don Wincherauk
Deputy Minister

Introduction

This Annual Report provides performance and financial results for the Information Technology Office (ITO) for the 2007-2008 fiscal year.

This report was prepared during a transitional period as many government ministries underwent a reorganization as the result of the election of a new government in November 2007. While the structure of the ITO itself was not directly impacted by the reorganization, the change did impact the ITO's key responsibility of providing IT services to executive government ministries and agencies.

This report provides information relating to the actions undertaken and commitments made by the ITO for the 2007-2008 fiscal year. It includes key actions and performance measures as outlined in the Office's 2007-2008 Performance Plan, but also includes progress on the commitments made by the new government since November 2007. In order to provide a clearer sense of the ITO's priorities in the coming fiscal year of 2008-2009, the report emphasizes actions taken since the election of the new government.

The ITO continued to undergo changes during the reporting year, expanding in size as it brought more government ministries and agencies into the ITO Service Delivery Partnership. With a change in government during the reporting year, the Office was also given a revised mandate.

Under its mandate to transform IT service delivery within executive government, the ITO continued to consolidate the IT services of ministries and agencies. The initiative began in the fall of 2004, with partnership agreements being signed with three ministries during 2007-2008:

- Social Services (Community Resources)
- Advanced Education, Employment and Labour (Labour)
- Government Services (Saskatchewan Property Management)

With the reorganization of government ministries during the reporting year, the ITO provides IT services to 22 government ministries and agencies in total. The Office now provides IT services to more than 9,500 government staff. The consolidation initiative is now completed, with only the Ministry of Health remaining outside the ITO Service Delivery Partnership. In the coming year the ITO will focus on improving all aspects of service delivery to its clients.

The new government has made a clear commitment to more open and accountable government, and further steps to improve public reporting of government expenditures, revenues and initiatives will be made in the coming fiscal year. Past performance plans and annual reports can be found on the ITO's website at www.ito.gov.sk.ca.

Ministry Overview

The Information Technology Office's (ITO) revised mandate (provided November 2007) is to provide information technology services and lead information technology and service delivery transformation. The Office coordinates and implements an integrated approach to information technology, information management and data security throughout all government ministries. The Office promotes Saskatchewan by streamlining and enhancing the government's websites to create a one-stop "electronic embassy."

Government is using IT to improve internal business processes, provide efficient public services, improve the delivery of citizen programs and services, and utilizing the procurement of government IT goods and services to promote growth in the private IT sector. It is also important to ensure that IT service delivery is measured and that accountability practices, processes and standards are in place. As a central agency, the ITO manages government's corporate IT agenda and is responsible for the activities that help government meet its IT goals.

As of March 31, 2008, the ITO had 324 full-time equivalent (FTE) positions based in Regina, Saskatoon, Prince Albert, Swift Current, Meadow Lake, Yorkton, North Battleford, and La Ronge. After seasonal adjustments, the ITO has the youngest overall staff in executive government.

The ITO's activities are grouped into four main areas:

- Streamlining and enhancing the government's web presence.
- Providing IT services and leading IT service delivery transformation.
- Developing government-wide IT policies and standards.
- Leading IT governance and coordination.

Streamlining and Enhancing the Government's Web Presence

While the ITO retains the same mandate as in previous reporting years, this addition to the mandate was provided to the ITO with the change in government midway through the reporting year. The ITO began planning and consulted with other ministries and government officials to develop a strategy that would lead to the creation of the promised initiative. The first stage will provide businesses with easy access to government information, programs and services through a government-wide gateway that is aligned with best practices and the perspective of the business community. The gateway will be used as a primary means to promote Saskatchewan as a great place to live and do business.

Providing IT Services

This involves activities related to providing all IT services to ministries in the ITO Service Delivery Partnership, including operating and managing IT infrastructure (networks and servers), ensuring data security, providing help desk services, developing IT applications, providing project management expertise on all IT projects, as well as managing, procuring and distributing IT hardware and software.

The ITO is currently providing IT services to over 9,500 staff in 22 ministries and agencies. The number of government organizations receiving IT services from the ministry grew by three during the reporting year, as the ITO continued its plans to bring all executive government ministries into the ITO Service Delivery Partnership prior to March 31, 2008. The initiative is now completed, with only the Ministry of Health remaining outside of the partnership.

Developing Government-Wide IT Policies and Standards

This includes activities related to developing strategies, policies and standards for government-wide IT, information management (IM), improved citizen services, broadband infrastructure, security, geomatics (technology-based geographic information), and telecommunications.

The Office continues to work with IT industry officials on developing commonsense government procurement and other policies that will both grow the industry and benefit Saskatchewan citizens. It will also play a role in fostering industry develop-

ment by holding consultations with sector officials to support the work of the government's new economic development agency, Enterprise Saskatchewan.

Leading IT Governance and Coordination

This includes developing, implementing and managing government-wide IT governance processes and facilitating client ministry IT governance. It also includes activities related to managing relationships with clients, as well as providing business improvement services for client and cross-ministry initiatives.

Progress in 2007-2008

This section of the report outlines commitments related to the Information Technology Office (ITO) as outlined in the mandate letter provided by the Premier to the Minister Responsible for the Information Technology Office in November 2007, as well as commitments made in the December 2007 Speech from the Throne. It also highlights where significant progress has been achieved in meeting those commitments since the 2007 election.

The Premier's mandate letter to the Minister Responsible for the Information Technology Office contained two specific actions related to the ITO, with progress to be made over four years in the following areas:

- creating a one-stop "electronic embassy" of government on-line services; and
- placing all orders-in-council on-line.

The Premier's mandate letter to the Minister can be accessed on the Minister's web page at www.gov.sk.ca/cabinet/dautremont/.

In addition, the key actions originally presented in the ITO's 2007-2008 Performance Plan are provided below. Actual results and progress information is included for all key actions and performance measures that were published in the 2007-2008 Performance Plan. It should be noted that key actions and progress made are now listed by program area and not by goals and objectives as originally stated in the 2007-2008 Performance Plan.

Further information and explanation about the performance measures are outlined in the Office's Performance Plan for 2007-2008, which is available at www.ito.gov.sk.ca.

A New Government Direction – Growth, Security and Promises

This section of the report provides performance results since the election of the new government in November 2007 related to the new government's strategic priorities: growth, security, and promises as presented in the Minister's Mandate

letter, the December 2007 Speech from the Throne, and other key government commitments.

Minister's Mandate Letter, November 2007

Commitments and Progress

Promote Saskatchewan and provide easy access to individuals and businesses seeking to locate in Saskatchewan by streamlining and enhancing the Government of Saskatchewan's websites to create a one-stop "electronic embassy."

This is a major undertaking that will change the way government does business with its citizens and other stakeholders, and will require further direction from Executive Council and input from other ministries and agencies. The ITO has started consultations with other key ministries on a plan to establish a business gateway to:

- Provide businesses with easy, one-stop access to government information, programs and services through the creation of a web-based, government-wide gateway that is aligned with best practices and the perspective of the business community.
- Identify opportunities to improve services to businesses through targeted enhancements to on-line and self-service functionality and better coordination and/or integration of processes and services across ministries and other levels of government.
- Use the business gateway to help grow the economy by promoting Saskatchewan as a great place to live and do business.

Strengthen transparency and accountability in government by placing all orders-in-council on-line.

- Consulted and advised other government ministries on the best method for fulfilling the commitment and the promise of greater accountability and transparency in government. The ITO identified and recommended utilizing an existing technology within the Queen's Printer that can be used to electronically

publish and manage the on-line orders-in-council initiative without the expense of developing a new system. The final process for approval and publishing orders-in-council documents is awaiting consent and expected to be implemented in the new fiscal year.

Speech from the Throne, December 2007

The December 2007 Speech from the Throne included several public commitments that, while not specific to the ITO, are areas in which the Office has an important role to play. The following outlines the commitments made and progress achieved to date, with reference to the page where each can be found in the Speech from the Throne. The speech is available on-line at www.gov.sk.ca/executive-council/throne-speech/.

Commitments and Progress

A new vision for the economy (page 4).

- Hosted a roundtable discussion between the Minister Responsible for the Information Technology Office and more than 60 leaders from the IT industry and post-secondary sectors in February 2008. Key topics of discussion included research and development, government procurement, infrastructure, and increasing Saskatchewan's pool of skilled IT workers. This and future meetings will help formulate the government's strategy for the IT sector and support the work of Enterprise Saskatchewan, the government's new lead agency and consultative model for sustained economic growth in the province.

Retaining our young people (page 3).

- Participated in or undertook a number of initiatives since the November 2007 election

designed to encourage young people to consider information technology as a career choice and to build their careers right here in Saskatchewan. The ITO provided sponsorships for the University of Regina Business Students' Society for the UR Business Showcase, the UR Business Job Talk, and the University of Regina Business Students Society trip to the JDC West business competition in Lethbridge in January 2008, where the team finished second overall and won the most improved team award.

- Worked with the province's universities and SIAST to provide opportunities for youth to gain work experience in various fields in the upcoming fiscal year. The focus is to provide students with work experiences that will assist in their growth and to promote careers within the IT industry in the province.

Protecting and conserving our natural environment (page 11).

- Conducted a preliminary analysis of the power savings realized by the consolidation of server rooms, distribution of **ENERGY STAR**® compliant desktops/laptops, and a reduction in the number of servers and other redundant equipment. The ITO estimates that the IT consolidation initiative has reduced energy costs by \$235,000 annually and energy consumption by 2,500 Megawatt-hours (MWh), which is enough energy to power 310 average Saskatchewan homes.
- Began developing a videoconferencing initiative that will see reduced travel resulting in lowered CO2 emissions while improving communications between government officials.
- Started development of a "Green IT" plan to further reduce the environmental footprint of government that will be implemented in the coming fiscal year.

Progress by Key Program

This section of the report provides progress made on the goals, objectives and key actions included in the ITO's 2007-2008 Performance Plan.

However, the reporting format has changed since release of the 2007-2008 Performance Plan, with actions and results now categorized by program area.

IT Service Delivery

Consolidation of IT service delivery is occurring in jurisdictions and agencies all over North America. Governments recognize that IT consolidation will increase security while reducing IT service delivery costs and creating an opportunity to reallocate savings to new applications or processes that improve program delivery and citizen services.

The ITO uses a Total Cost of Ownership (TCO) model, which focuses on software and hardware standardization to lower overall support costs. The ITO service delivery model works with strategic partners in using consolidated infrastructure (networks and servers) and software licensing as well as common application development processes to reduce IT service delivery costs.

Implementing best practices in project management ensures that the business requirements, roles, responsibilities and resources available to complete IT projects are clearly outlined and monitored. This helps limit the risk of increases in project scope, cost and schedule.

Benchmarking service levels against private industry standards ensures that the ITO is providing efficient and effective IT services and that government is obtaining the best value for IT investments. As a central service delivery agency, the ITO needs to ensure that it has documented service level agreements with each ministry to ensure that client needs and expectations are clearly defined and communicated. The ITO must also be able to measure and report the levels of service being provided to each client relative to the documented Service Level Agreement.

Developing and maintaining positive relationships and a focus on client satisfaction is a key element

of service quality. Developing client relationships fosters trust, good working relationships and positive results between IT service providers and their clients.

Key Results for 2007-2008

Integrate the remaining four ministries into the ITO Service Delivery Partnership.

- Completed the IT consolidation project during the reporting year with the inclusion of the former ministries of Community Resources (now Social Services), Labour (now Advanced Education, Employment and Labour) and Saskatchewan Property Management (now Government Services) into the partnership. Only the Ministry of Health remains outside the partnership and continues to manage its own IT services.

Engage an independent third party to evaluate efficiencies gained through IT consolidation including financial benefits of consolidated IT service delivery.

- Contracted with the Gartner Group, an internationally recognized IT research and advisory firm, to conduct an independent and objective assessment of the IT consolidation project. Gartner determined that the initiative has resulted in both financial savings and service improvements, concluding: "*The ITO has made progress on a very worthwhile journey. There are further opportunities to add value.*" The report provided independent proof that the government is taking meaningful steps toward providing better services to the public in a fiscally prudent manner.

Assess documented IT service delivery processes and identify process improvements to better align with IT service delivery targets.

- Engaged Microsoft to perform an operational assessment of the service delivery processes in use based on Information Technology Infrastructure Library (ITIL) processes. A Service Improvement Program (SIP) was drafted as a deliverable of the engagement, and has contributed to the development of the service delivery plan for the 2008-2009 fiscal year.

- Began development of a Service Catalogue that will make it easier for clients to order and predict the cost of services the ITO provides based on their business requirements. New simplified invoices will also be easier to understand and faster to reconcile with the service requested from the catalogue. This will significantly reduce workloads for staff in each organization.

Develop learning and development plans for staff to ensure that they have the necessary skills to provide effective IT services.

- Developed the processes for staff to create individual learning and development plans as part of the ITO Training and Development Strategy. The process is designed to facilitate validation of the training that ITO personnel take, ensuring that staff have the knowledge, skills and abilities required to perform their current roles, and to prepare them for career advancement opportunities. The implementation of the Training and Development Strategy, along with the learning and development plans, will commence with the completion of the Permanent Staffing process in the coming fiscal year.

Review and assess vendor agreements to ensure the Province is receiving maximum return on investment and that the agreements are aligned with strategic business objectives.

- Continued to consolidate and rationalize vendor agreements to ensure maximum return on investment. Software licensing, hardware maintenance, and consulting service contracts were all subject to these processes.

Implement a long-term server infrastructure contract to provide ITO clients with equipment that supports optimal server architecture.

- Developed and posted a Request for Proposal (RFP) for optimization of data centre operations, which included server hardware and related components and services. Dell Canada was awarded the contract and significant consolidation progress has been made.

Continue consolidating storage infrastructure to maximize efficiency and reduce support costs.

- Invested in an 'Enterprise' class storage infrastructure that will meet the availability, scalability, and performance requirements for even the most critical ministry applications. Storage consolidation onto the new infrastructure is underway.

Develop and implement an enterprise architecture that incorporates reusable components, templates and effective tool sets to maximize efficiency, reduce support costs and increase productivity.

- Began developing a strategy to direct the long-term effort of working toward a mature, enterprise architecture for all executive government ministries and agencies. ITO staff have also been working with client ministries to ensure architectural standards are considered and built into all new IT initiatives.

Develop and implement a client-facing communication strategy that reinforces ITO service delivery processes and explains ITO services.

- Developed a comprehensive communication strategy, in conjunction with the implementation of a Service Catalogue, that will make it easier for clients to order, predict and budget for the IT services they receive from the ITO. The strategy is being used to communicate not only the change to a Service Catalogue method of charge-back to partners, but to reinforce with front-line staff the processes for ordering all levels of service.

Meet Service Level Agreement performance targets for all ministries in the ITO Service Delivery Partnership.

- Achieved all service level targets outlined in the Service Level Agreements with all partner ministries and agencies, with the exception of targets related to new users brought into the partnership during the reporting year. With completion of the consolidation initiative, difficulties in achieving service targets during the transition period of bringing new

organizations into the partnership will no longer exist in the coming fiscal year.

Ensure the ITO network is available to its clients for 99.5 per cent of working hours.

- Exceeded the target for the second consecutive year, with the network available to users in excess of 99.8 per cent of working hours.

Develop a simplified IT Service Level Agreement that allows each ministry's unique service delivery needs to be clearly identified for service delivery agents and clients.

- Created a new Service Level Agreement template that enables clients to plainly indicate their individual service level requirements and expectations, also making it easier for ITO staff to successfully implement work plans and solutions to ensure client needs are met.

Ensure all ministries in the ITO Service Delivery Partnership have a signed Service Level Agreement.

- Reorganization of government ministries during the reporting year resulted in a number of changes having to be made to the various Service Level Agreements with some ministries and agencies. At the end of the reporting year 11 of the 22 restructured ministries and agencies in the ITO Service Delivery Partnership had signed Service Level Agreements with the ITO. The remaining agreements are either awaiting final signatory approval or near completion, with all partners expected to have signed agreements early in the 2008-2009 fiscal year.

Continue to enhance the information provided in the monthly service level reports, invoices and forecasts.

- Modified and expanded the information included in monthly reports, invoices and forecasts sent to client ministries and agencies. Further enhancements are being implemented as part of the change to a Service Catalogue method of charge-back to clients that will be launched in the new fiscal year.

Implement a Portfolio Project System to improve financial and project reporting for ITO clients.

- Started defining the best new methodologies and requirements for improving reporting to client organizations to ensure their business needs are met. The implementation of a client Service Catalogue in the new fiscal year will play a key role in the improved reporting process and client ability to make decisions based on their business requirements.

Train clients on ITO services and processes to ensure they can effectively utilize ITO services.

- Implemented ongoing training to ministry Service Level Coordinators on the new processes for ordering IT services, along with training on new, simplified invoices that have been developed as part of the transition to a Service Catalogue method of charge-back to clients.

Implement automated client feedback mechanisms for service requests, incidents, change requests and new initiatives.

- Began development of a pilot project to determine the most effective methods of providing clients with ongoing opportunities to have input on ITO services and processes. A decision was made to delay the initiative until completion of the IT consolidation project, in order to ensure all client organizations were familiar with basic ITO processes and able to provide feedback based on their experiences and requirements.

Develop an operational plan for each ministry to document their 2007-2008 operating requirements by June 30, 2007.

- Completed operational plans for all service partner organizations that outline their hardware, software, application and project requirements. These plans can be updated as required each fiscal year.

Develop an annual report for each ministry to report on the previous year's accomplishments and challenges by June 30, 2007.

- Implemented a reporting system that provides each partner organization with a yearly accounting of the services and work done on their behalf. The reports also highlight any challenges that exist in providing particular services or areas of service.

Undertake a client survey in September 2007 to continue gauging customer satisfaction and identifying areas for service improvement.

- Delayed plans for a third annual client survey due to the pending election in the fall of 2007 and restrictions implemented on issuing contracts for surveys and similar initiatives within government.

Engage an independent third party to benchmark ITO service delivery against other comparable organizations.

- Contracted the Gartner Group to perform an independent assessment of the value of the ITO Service Delivery Partnership, and to compare ITO delivery processes to best practices. Gartner determined that the ITO has better overall cost efficiency in comparison with the composite peer group, with the ITO spending 15 per cent less than what the composite peer group spends on average to support the same workload.

Measurement Results

Number of server rooms, IT organizations, servers and help desks.

The ITO established the following baseline information for this performance measure:

Baseline Information

Server rooms	– 18	(April 2005)
Servers	– 438	(April 2003)
Help desks	– 12	(April 2003)
Number of IT organizations	– 13	(April 2003)

March 31, 2007

Server rooms	– 7	(March 2007)
Help desks	– 6	(March 2007)
Number of IT organizations	– 5	(March 2007)

March 31, 2008

Server rooms	– 3	(March 2008)
Help desks	– 1	(March 2008)
Number of IT organizations	– 3	(March 2008)

[Source: ITO Internal Data]

[Frequency: Annual]

This performance measure provides an indication of the ITO's success at consolidating IT infrastructure to reduce IT support costs. As the number of server rooms, locations where servers are stored, servers and help desks have been reduced, government has reduced its current and future IT infrastructure costs due to less duplication and the infrastructure/facilities needed to be maintained or replaced in the future.

Per cent of all service desk resolvable incidents resolved on the first call.

Baseline Information

(March 31, 2006) = 81.0%

March 31, 2007 = 92.2%

March 31, 2008 = 89.8%

[Source: ITO Internal Data]

[Frequency: Annual]

All elements of IT service delivery including desktop standardization, high availability infrastructure, well-defined processes, staff training and certification are required to achieve a high first-call resolution rate. Resolving service desk incidents on the first call measures the effectiveness of the ITO service delivery model and ensures clients can sustain their productivity.

A call to the service desk is considered to be "service desk resolvable" if front-line support staff can be expected to have the knowledge necessary to address the issue, as well as the necessary tools and access privileges. Any call that must be forwarded to third level support staff because it requires special knowledge or privileges is not considered service desk resolvable. For example, a problem with a back-end server or custom application would not be considered service desk resolvable.

On an annual basis the ITO's service desk system provides the source information for this performance measure. An overall result for all ministries in the ITO Service Delivery Partnership is reported. The ITO has a high degree of influence over the first-call resolution rate because it is responsible for developing and implementing a service delivery model that provides service levels to meet requirements outlined in the Service Level Agreements.

Per cent of clients satisfied with the ITO service delivery.

Baseline Information (March 31, 2006)	=	78.3%
March 31, 2007	=	64.8%
March 31, 2008	=	n/a*

* The 2007-2008 client satisfaction survey was not undertaken due to timing surrounding the 2007 provincial election.

[Source: ITO Internal Data]
[Frequency: Annual]

One of the ITO's critical success factors is meeting the defined needs and expectations of our clients. Measuring customer satisfaction will allow the ITO to measure its success at providing effective client-focused services.

On an annual basis, the ITO measures customer satisfaction through an electronic customer survey. The performance measure result is based on the percentage of clients who express a neutral to positive response to the ITO client survey question, "On the whole, I am satisfied with the contact I have had with the ITO." While outside factors resulted in the survey not being undertaken during the reporting year, plans are in place to revive the survey in the coming fiscal year.

The ITO has a high level of influence on this performance measure because it is responsible to develop service delivery processes that meet the expectations outlined in the Service Level Agreement. The ITO can also deploy client relationship managers to manage client needs and address any service delivery issues.

Corporate IT Governance

The ITO continues to manage and refine an enterprise governance model to ensure that IT resources are deployed efficiently and are supporting government's strategic objectives. The governance model includes a Deputy Minister Committee that provides strategic direction, central oversight and makes recommendations on major IT initiatives. A Business Advisory Council ensures that ministry initiatives support government's goals and promotes cross-ministry initiatives that address common business issues. Within each ministry, Information Technology Management Committees (ITMC) guide ministry IT investments to ensure that IT initiatives have a solid business case and are aligned with ministry and government priorities.

Key Results for 2007-2008

Manage the central planning and decision-making process for major IT initiatives.

- Initiated and coordinated the process surrounding the third "Call for IT Initiatives." A total of seven major IT initiatives submitted by ministries were reviewed throughout this process. The process ensures that IT services provided to the public are of the highest quality and fiscally responsible.
- Completed a third evaluation of the Call for IT Initiatives process, which identified recommendations for improving the Call for IT Initiatives process.

Refine the standard business case guidelines and supporting materials to help ministries assess the viability of their IT initiatives.

- Introduced minor improvements to the business case template and guidelines to improve the quality of information gathered for IT decision-making.

Sponsor business case workshop training opportunities to build capacity in executive government for developing and assessing business cases.

- Delivered three overview workshops (focused on the IT governance model) in May 2007. Fifty-seven staff attended from a number of ministries.
- Delivered four detailed business case development workshops in May and June 2007. Fifty-eight staff attended from a number of ministries.

Manage the Central Reporting Framework for major IT initiatives to ensure that these projects are meeting intended outcomes.

- Facilitated the Business Advisory Council's review of 15 project status reports for major IT initiatives underway, and two post-implementation reviews for major IT initiatives that were completed.

Measurement Results

Number of major IT initiatives that were deferred for further business analysis through the central review process.

2005-2006:	eight (8)
2006-2007:	two (2)
2007-2008:	zero (0)

*[Source: ITO Internal Data]
[Frequency: Annual]*

In 2007-2008, there were no submissions deferred pending further analysis. This may be attributed to a stronger understanding of the review process and the quality of information required to inform IT investment decisions, as a result of the business case training provided to ministry personnel. A total of seven major IT initiatives were submitted by ministries.

A detailed business analysis is a critical element of any major business transformation and application development project. Best practice suggests making an investment in a business case at the beginning of a project to ensure that the business requirements, scope, cost, timelines and intended results are outlined before selecting a solution and proceeding to the detailed planning and implementation stage.

Developing business cases for cross-ministry initiatives and business transformation opportunities supports effective government-wide

IT decision-making and ensures that an enterprise view is considered when assessing initiatives that can address business functions that are common across more than one ministry.

This measure gauges ministries' ability to ensure that an appropriate level of analysis is completed before any major IT investment is made, with a lower number indicating that the appropriate level of analysis has been completed for major IT initiatives. It is calculated by counting the number of IT initiatives deferred for further analysis through the central review process.

The ITO has little influence over this performance measure because each ministry is responsible for developing the business case for its major IT initiatives. However, the ITO can influence the business cases by helping to build capacity across government to develop business cases, promoting enterprise solutions to common business functions and participating in business case development for ministries in the ITO Service Delivery Partnership.

Business Improvement

Effective utilization of government's IT infrastructure and assets will allow government to improve internal process efficiency and improve the public's access to government services and programs. As new applications are developed an opportunity exists to review and redesign current business processes to ensure that they focus on meeting the public's service delivery needs in an efficient and effective manner.

There is also an opportunity to develop or implement common applications across executive government to support similar business functions. This would leverage software investment, standardize business processes, and reduce application support costs.

Key Results for 2007-2008

Facilitate collaboration between government ministries and agencies on common geomatics initiatives.

- Continued to lead and Chair the multi-agency Geomatics Business and Technical Advisory

Boards. In addition, the ITO played a lead role in implementation of the www.geosask.ca portal project in February 2008. This project resulted from a Data Co-operative MOU in which the ministries of government agreed to enhance service to the public by channelling their geospatial data and information through a single portal at the Crown-owned Information Services Corporation.

Start working with the Saskatchewan Research Council as well as more than 15 other ministries, agencies and organizations to implement a multi-year plan to acquire provincial satellite imagery and aerial photography.

- Helped form and Chair the Saskatchewan Geospatial Imagery Collaborative with 25 participating agencies who have agreed to pool resources to acquire new satellite and air photo images covering all of Saskatchewan. Satellite imagery (2.5 metre resolution) has been acquired for the entire province and the aerial photography program (0.6 metre resolution) has commenced and will continue for four years. The project will greatly assist companies working in the oil, mining and other sectors, helping to generate activity and economic growth in those sectors.

Work with several government ministries to proceed with a more detailed analysis of the potential to develop an enterprise approach to managing facilities.

- Facilitated a detailed analysis of facilities management functions and business processes in a number of ministries. Based on the analysis and discussions with the participants, several next steps were identified to standardize and improve facilities management practices/processes.

Provide training opportunities for ministries to build capacity for business improvement projects.

- Delivered three overview workshops (focused on the IT governance model) in May 2007. Fifty-seven staff attended from a number of ministries.

- Delivered four detailed business case workshops in May and June 2007. Fifty-eight staff attended from a number of ministries. These sessions encourage ministries to review business processes prior to implementing technology solutions.

Start implementation of Voice over Internet Protocol (VoIP) services in Executive Government.

- Developed a three-year rollout plan for installing VoIP services across Executive Government, with 1,555 VoIP enabled telephones installed in various ministries during the reporting year. The project is scheduled for completion in 2009-2010.

Work with the Ministry of Energy and Resources and the Ministry of Finance to conduct a detailed analysis for implementing an enterprise approach to revenue management.

- Facilitated a detailed analysis with the Ministries of Finance, Energy and Resources, and Environment to confirm or deny the extent of commonality in processes across select revenue streams. An additional analysis was then undertaken to explore potential options for how an enterprise approach to revenue management could be implemented.

Measurement Results

Number of major IT initiatives initiated on an annual basis that are enterprise in nature.

Baseline Information (March 31, 2006)	=	0
March 31, 2007	=	0
March 31, 2008	=	5

[Source: ITO Internal Data]
[Frequency: Annual]

In the past, most ministries developed IT systems to meet their own needs. They usually did not consider opportunities to develop integrated or cross-ministry applications that could have

provided benefits to all of executive government. This is not uncommon in a highly decentralized environment.

Consolidating applications that support common business functions would lead to a simplified IT environment, reduced application support and development costs, increased security, and common applications for common business functions across government. In these cases, an opportunity exists to conduct a detailed analysis of cross-ministry business requirements. This analysis could determine if a single application could meet the needs of more than one ministry before a significant investment is made in a unique solution for one ministry that will be replicated in other ministries.

This performance measure counts the total number of major enterprise IT initiatives started each year. Tracking the number of initiatives being developed to address common business needs will provide an indication of government's ability and willingness to develop enterprise solutions and simplify the IT environment. A definition of major IT initiatives has been developed.

The ITO reviews all major IT initiatives as part of the central IT review and decision-making process. The ITO actively promotes the evaluation of enterprise opportunities. Through this review process the ITO can identify potential enterprise solutions and work with ministries to ensure that these opportunities are considered in the decision-making process. However, the ITO does not prioritize these initiatives and has no influence on the number of initiatives that are identified or initiated on an annual basis.

Industry Support

Information technology is a key strategic sector because of its own growth potential and because it enables competitive improvement opportunities across other sectors, including government. A sustainable Saskatchewan-based IT industry that can export its services anywhere in the world will support economic growth and create jobs in Saskatchewan.

Saskatchewan is home to branches of large multinational IT corporations as well as many smaller IT companies that are capable of providing world-class IT services to clients within and outside of Saskatchewan.

In 2004, the government announced that the ITO would work with SaskTel to expand CommunityNet and commercial broadband to all communities of over 200 people by 2007. This means 92 per cent of the population – farmsteads, businesses, schools, libraries, health centres and homes – will have access to high-speed Internet. In the summer of 2007, the province provided free Wi-Fi Internet access to post-secondary institutions and the downtown business core in Moose Jaw, Prince Albert, Regina and Saskatoon. This initiative along with CommunityNet and SaskTel's commercial broadband Internet services make Saskatchewan the most wired jurisdiction in North America.

Saskatchewan also has the necessary educational system, work force, industry activity and public sector involvement to become internationally recognized as a diverse and vibrant IT center of excellence. These elements position Saskatchewan to create a climate for growth in the provincial IT sector and we will work with the IT industry to identify and implement the best growth strategies.

Strategic government investment in IT infrastructure can improve citizen service delivery and create opportunities for private sector organizations to market innovative solutions. Government needs to focus on building partnerships that allow it to leverage the private sector's knowledge and innovation to provide business or technology solutions.

Given the complexity of the IT environment and the speed of technological change, more responsive processes for IT procurement and sourcing are required to meet the needs of industry and government. This would help the IT sector and government develop partnerships for creative solutions that support government's program and service delivery needs.

Key Results for 2007-2008

Implement a policy related to intellectual property (IP) in IT contracts to promote commercialization of IP developed through government IT projects.

- Worked with officials from the Ministry of Government Services and other ministries to develop a policy that would potentially see the private sector retain intellectual property rights on a case-to-case basis for IT projects they develop on behalf of government ministries. Due to the mid-year change in government, the policy had not been finalized by the end of the reporting year. When implemented in the upcoming fiscal year, the policy will contribute to growth in the IT sector and the provincial economy.

Work with the IT sector, provincial and federal government to promote opportunities for the IT sector to do work outside Saskatchewan.

- Joined with the Canadian Consulate and other public sector agencies in sponsoring and organizing a trade mission to Denver, Colorado that was attended by eight Saskatchewan IT firms. The ITO also partnered with Industry Canada to hold a pilot "Export Accelerator" course for Saskatchewan-based IT firms, which allowed companies to learn and enhance their international trade skills.

Meet with key IT sector representatives on a quarterly basis to discuss issues and opportunities related to the IT sector.

- Held dozens of meetings with private sector leaders throughout the year to discuss issues of mutual concern. The Office also hosted a roundtable discussion between the Minister Responsible for the Information Technology Office and more than 60 leaders from the IT industry and post-secondary sectors, with similar meetings planned for the future.

Provide the IT sector with advanced notice of Executive Government's IT projects or services that will be tendered in the current fiscal year.

- Informed private sector firms about upcoming and potential government IT development

projects during ongoing vendor meetings that are held on a regular basis as part of normal business or at vendor request to discuss mutual topics of interest.

Update the IT industry benchmarks to track the health of the Saskatchewan IT sector.

- Cancelled the annual survey of provincial IT firms for the reporting year due to restrictions imposed on polling contracts during an election period. With the creation of the government's new economic development organization, Enterprise Saskatchewan, a decision on future benchmarking of the IT sector will be made in the new fiscal year.

Provide free Wi-Fi Internet access to post-secondary institutions and the downtown business core in Regina, Saskatoon, Prince Albert and Moose Jaw.

- Launched the *Saskatchewan Connected* free wireless Internet service in the downtown and other select business areas of the four communities throughout the summer months of 2007, with the service made available in post-secondary institutions in the four cities in September 2007.

Provide opportunities for Saskatchewan youth by providing work-terms for six Aboriginal students enrolled in post-secondary IT programs and four students enrolled in business/policy programs.

- Provided work-term opportunities to five post-secondary students during the reporting year, but none of Aboriginal descent. Recruitment difficulties resulted in this target not being met.

Where appropriate, utilize a value-based procurement process that incorporates economic development, innovation and environmental factors.

- Ensured that all Requests for Proposal issued on major IT projects and acquisitions included provisions that would foster growth in the provincial IT sector and economy, provided innovative solutions, and were conducive to the government's goals of protecting our natural environment and reducing energy consumption.

Publish guiding principles for IT procurement to communicate how the ITO plans to procure IT services.

- Communicated to private sector firms in various forums, including face-to-face meetings, about ITO procurement processes. However, official guiding principles were not published due to the November 2007 election and a decision to communicate procurement principles as part of the larger issue of policy related to intellectual property, which is still under consideration.

Utilize the private sector to deliver new IT application development projects that exceed a threshold value.

- Contracted with the private sector to deliver most new IT application development projects with a value of \$250,000 or greater.

Measurement Results

Per cent of IT services delivered by the private IT sector for the ITO Service Delivery Partnership.

<i>Baseline Information (March 31, 2006)</i>	=	57.7%
<i>March 31, 2007</i>	=	52.5%
<i>March 31, 2008</i>	=	54.0%

*[Source: ITO Internal Data]
[Frequency: Annual]*

Government IT spending can create growth in the IT sector. However, additional work from government contracts alone will not foster a sustainable climate for industry growth. Effective government IT service delivery will require both government staff and private sector involvement.

An effective sourcing strategy will provide the private sector with an opportunity to leverage their knowledge and expertise in solving government's business problems. The experience obtained from developing a solution could provide opportunities to market their knowledge outside the province.

This performance measure documents the balance between private sector and government

involvement in IT service delivery within the ITO Service Delivery Partnership. This provides an indication of the opportunities provided to the private sector to help government meet their service delivery objectives. The performance measure is calculated by dividing the total value of IT hardware, software and services (management, technical, business analysis, project management or consulting) delivered by the private sector, and dividing it by the total value of expenses in the ITO's inter-ministry services sub-vote. This performance measure will be updated on an annual basis by the ITO.

The ITO has a significant influence over this performance measure because it is responsible to develop a sourcing strategy to obtain services that will meet the needs of their clients. However, individual ministries are responsible for identifying their application support, enhancement and development needs. Larger IT projects will likely require private sector involvement and could have a significant impact on this performance measure.

Citizen Services

Technology has given citizens the ability to complete a wide range of tasks using a variety of channels (phone, fax, in person and Internet). Market research clearly shows that citizens expect to access government programs and services using the channel of their choice. However, providing consistent and seamless service across different channels can require the integration of multiple business processes and IT systems.

Under its new mandate, in the coming fiscal year the ITO will promote Saskatchewan and provide easy access to individuals and businesses seeking to locate in Saskatchewan by streamlining and enhancing the Government of Saskatchewan's websites to create a one-stop "electronic embassy."

Key Results for 2007-2008

Implement two citizen service transformation pilot projects to demonstrate the benefits of multiple channel service delivery.

- Rolled out a new "content management" system for all executive government ministries

that provides a consistency to the look and operation of government websites, making them easier for citizens to use when accessing programs and services. While no action was taken on specific pilot projects, the new web content system will facilitate the on-line portion of future multi-channel service delivery projects undertaken by ministries.

Work with the Ministry of Corrections, Public Safety and Policing on an emergency management initiative that is related to emergency response.

- Helped the Ministry of Corrections, Public Safety and Policing develop a business case, arrange federal partnership funding and select an industry contractor to implement an emergency incident management and response system. A system considered by Natural Resources Canada as a "best practice" model for emergency mapping across Canada will be implemented early in the upcoming fiscal year, with additional features already being considered for implementation.

Measurement Results

Benchmarking criteria and results for citizen service delivery remain under development and are not included in this report.

Energy Efficient IT Infrastructure

According to the federal government's Office of Energy Efficiency, computers and other types of office equipment are among the fastest growing sources of energy consumption in Canada. With energy costs rising, and mindful of commitments to decrease energy consumption, governments are purchasing energy-efficient equipment and promoting energy-saving habits among users.

The ITO will help support the new government's commitment to protect and conserve our natural environment by ensuring that it purchases energy-efficient computer equipment from **ENERGY STAR®** partners. It will also ensure that procurement practices support environmentally friendly packaging, recycling and manufacturing processes.

The ITO conserves energy by having the capacity to turn on computers remotely when it needs to add or change software. This means that software updates can occur outside of working hours to minimize user disruption and that users do not have to leave their computers running for these updates to occur.

Key Results for 2007-2008

Decrease power consumption through infrastructure consolidation.

- Documented the energy savings resulting from the IT consolidation initiative. Based on a preliminary analysis at the end of the reporting year, the ITO estimates that the IT consolidation initiative has reduced energy costs by \$235,000 and energy consumption by 2,500 Megawatt hours (MWh), which is enough energy to power 310 average Saskatchewan homes. The initiative is helping to fulfill the government promise of protecting Saskatchewan's natural environment.

Ensure future infrastructure Request for Proposals include rating factors for environmental conservation.

- Developed a Request for Proposal process that ensures vendors are rated and evaluated on information they provide about the environmental impact of their product, their manufacturing practices and packaging practices.

Develop and implement a packaging waste reduction and recycling program.

- Instituted a revamped Request for Proposal process that requires vendors to list any hazardous materials used in their products and have a packaging waste reduction strategy. In addition, the ITO's leasing agreement with Lenovo Canada includes a provision that all used computer equipment is refurbished for resale.

Conduct a detailed review of the current printing environment to identify opportunities for reducing costs and supporting environmental sustainability.

- Issued a Request for Proposal in January 2008 that was awarded to Print Operations Group to assess the current print environment across partner organizations. The assessment identified and quantified cost reduction opportunities, benchmarked the ITO against best practices, and resulted in an organization-wide print strategy. When finalized and implemented, benefits of the strategy will include less paper and toner usage, deployment of more energy-efficient equipment, reduced costs, continuous improvement management, and improved end-user accountability and responsibility. The project is scheduled for government-wide implementation in 2009-2010.

Measurement Results

Per cent of desktops and laptops that are ENERGY STAR® compliant.

<i>Baseline Information (March 31, 2006)</i>	=	99.0%
<i>March 31, 2007</i>	=	99.3%
<i>March 31, 2008</i>	=	99.5%

*[Source: ITO Internal Data]
[Frequency: Annual]*

ENERGY STAR® computers are identical to standard computers, except that they enter a low power, or "sleep" mode, when not being used. These computers use 70 per cent less electricity than those without enabled power management features.

This directly measures the ITO's success in providing energy-efficient IT infrastructure. The ITO's asset management system will be used to report this measure on an annual basis. The performance measure is calculated by dividing the number of **ENERGY STAR®** compliant desktops/laptops by the total number of desktops/laptops supported by the ITO.

The ITO has a significant amount of influence over this performance measure because it is responsible for IT infrastructure standards and can ensure IT equipment is **ENERGY STAR®** compliant.

IT Security

The Government of Saskatchewan is responsible for having the necessary controls to protect government information and citizens' personal data. As a central agency responsible for IT policy, the ITO is responsible to develop government-wide IT security policies and processes, which ensure that government's data and assets are protected.

The ITO is also responsible to ensure that security policies and processes are deployed on cross-government infrastructure like CommunityNet. The ITO has developed a security policy based on rigorous international security standards to ensure that its data center is secure and that security issues for the ITO's clients are addressed. Ministries are responsible to ensure that internal processes, which are consistent with government-wide policies, are in place to protect their data and assets.

The Provincial Auditor has commented on government's security policies and processes several times since 1999 and concluded that government must do more to improve IT security. The Provincial Auditor supports initiatives to improve government's data security.

Key Results for 2007-2008

Continue implementing operational security processes to support the ITO security policy.

- Implemented a variety of enterprise-wide initiatives and processes to increase the security of systems and information, including an intrusion detection system, processes surrounding high-risk usage such as non-standard software, and processes to deal with lapsed user accounts.

Work with the Provincial Auditor on an annual audit of the ITO's data centre and operational security processes.

- Cooperated with the Provincial Auditor as his office conducted a second annual audit of the ITO's data centre and security processes during the reporting year, concluding that the ITO has adequate rules and procedures in place to safeguard public resources. The ITO

will continue to work with the Auditor's office to further strengthen its security procedures in the coming fiscal year.

Ensure all ministries in the ITO Service Delivery Partnership adopt the ITO's security policy, standards, guidelines and processes.

- Re-established the government-wide Security Officer Committee to ensure the consistent application of security procedures in all partner ministries and agencies.

Develop and implement a government information security risk management plan.

- Contracted third-party security experts to conduct a gap analysis on the ITO's current and desirable information security risk management, and make recommendations on how the ITO can move closer to international ISO standards for risk management. A plan was developed and the ITO is actively working toward closing the gap and implementing recommendations of the third-party report.

Develop client education on IT security to ensure clients understand their role and responsibilities related to protecting data and IT systems.

- Held numerous sessions with client ministries, including Service Level Coordinators and ministry Security Officers to ensure they know their roles and responsibilities related to enforcing security and ensure they reinforce the need for security among front-line staff in their ministries.

Implement a disk-based backup technology to enhance disaster recovery and improve data backup/restore efficiency.

- Installed new hardware and software solutions, and implemented new processes related to operation of the ITO data centre that ensure information is always backed up and still available to clients in the event of a disaster that impacts main data storage systems.

- Ensure all ministries have documented their specific disaster recovery and security requirements by October 1, 2007.

- Worked with ministries to complete business continuity plans that link into and ensure IT disaster and recovery requirements are addressed as part of their ongoing operations.

Measurement Results

Hours of downtime caused by security breaches that impact the ITO network.

<i>Baseline Information (March 31, 2006)</i>	=	0%
--	---	----

<i>March 31, 2007</i>	=	0%
-----------------------	---	----

<i>March 31, 2008</i>	=	0%
-----------------------	---	----

*[Source: ITO Internal Data]
[Frequency: Annual]*

The ITO has intrusion detection systems and processes which monitor attempts to access the ITO network. The ITO currently logs approximately 15,000 network access attempts, or hits, per day.

The external threats caused by computer hackers or viruses could seriously impact executive government's IT systems resulting in a disruption of essential service and program delivery.

This performance measure monitors the effectiveness of the ITO's internal security hardware, processes, standards and controls at preventing security threats from impacting the ITO network. The measure is calculated by totaling the number of core working hours that the ITO network is not available because of security breaches.

The ITO has a high degree of influence over this performance measure because it is responsible to develop, implement, manage and monitor standards, policies, processes and infrastructure that protect its core network and client data.

2007-2008 Financial Overview

The ITO's 2007-2008 expenditure budget was \$5.288 million. As a part of the transfer of human resource services to the Public Service Commission the expenditure budget was reduced by \$137,000 to \$5.151 million. The ministry also received supplementary estimates and special warrant funding related to the transfer of five positions from the Ministry of Social Services, which increased approved expenditures to \$5.528 million. This increase is not reflected in the table on the following page, as the funds will be allocated to the ITO as a part of the 2008-2009 budget process. There was no impact to the General Revenue Fund because there was a corresponding increase/reduction in the other ministries.

The recovery of amortization is treated as a statutory adjustment and reduced the ITO's approved appropriation by \$63,000 to \$5.088 million. Total 2007-2008 expenditures were \$5.238 million, which is \$150,000 over the \$5.088 million target. The significant variances are explained in the following pages, but the

variance is primarily related to the approved over expenditure for the position transfers from Social Services, offset by lower capital asset acquisitions.

The ITO did not have a revenue budget in 2007-2008, but revenues of \$15,000 related to prior year's expense refunds, \$8,000 related to gain on US dollar transactions, and \$2,000 in casual revenue were recorded. Costs (\$65,000) related to providing IT services to external government agencies (Saskatchewan Municipal Board and Saskatchewan Grain Car Corporation) were offset by an equivalent recovery from the external government agencies.

The ITO budget included 324 full-time equivalent (FTE) positions as 45.5 FTEs were restated from other ministries who joined the ITO Service Delivery Partnership throughout the year. An additional 58.6 FTEs will be allocated to the ITO as part of the 2008-2009 budget process to cover the FTE shortfall that was created by more staff then FTEs transferring to the ITO during IT consolidation.

Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram. Variance explanations are provided for all variances that are greater than \$50,000.

Program	2007-08 Estimates ⁽¹⁾ (\$ X 1,000)	2007-08 Actual (\$ X 1,000)	Variance (\$ X 1,000)
Central Management and Services			
Executive Management	738	698	(40)
Central Services	878	904	26
Accommodation Services	172	169	(3)
Subvote Total	1,788	1,771	(17)
IT Coordination and Transformation Initiatives			
Information Technology Coordination	2,220	1,952	(268) ⁽²⁾
Office of Geomatics Coordination	235	210	(25)
Information Technology Transformation	458	1,176	718 ⁽³⁾
Service Transformation	200	162	(38)
Subvote Total	3,113	3,500	387
Inter-ministerial Services	—	(85)	(85) ⁽⁴⁾
Major Capital Asset Acquisitions	250	52	(198) ⁽⁵⁾
Sub Total	5,151	5,238	87
Statutory Adjustment	(63)		
Total Appropriation	5,088	5,238	150
Capital Acquisitions	250	52	(198) ⁽⁷⁾
Amortization	98	140	42
Total Expense	4,936⁽⁸⁾	5,324*	388

* Includes (\$1,922) change in prepaid expense

No funding is provided to third parties.

Explanations for major variances:

- (1) 2007-2008 Estimates as tabled with the Provincial Budget, less \$137,000 due to transfer of HR services to PSC.
- (2) The decreased costs are related to vacancy savings, lower consulting and leave entitlement expenses. These savings are offset by increased costs in the IT Transformation sub-program.
- (3) The increased costs in the IT Transformation program are related to transforming information technology service delivery to client ministries in the ITO Service Delivery Partnership.
- (4) (6) IT services are provided to client ministries on a cost-recovery basis. The under expenditure in the Inter-ministerial Services subvote is primarily related to the recovery of amortization from client ministries. The amount of amortization recovered is reflected as a statutory adjustment.

(5) (7) Major capital acquisitions were \$198,000 under budget.

(8) Does not include an approved over-expenditure of \$377,000 related to five positions transferred from the Ministry of Social Services. The funding will be allocated to the ITO as part of the 2008-2009 budget process.

For More Information

If you have any questions or comments, or would like additional copies of the 2007-2008 Annual Report, we invite you to call (306) 787-8880 or contact:

Information Technology Office
Policy and Planning Branch
8th Floor, 2101 Scarth Street
Regina, Saskatchewan
S4P 2H9

Or send us an e-mail through the Information Technology Office website at www.ito.gov.sk.ca.

ITO Acts and Regulations

The Minister Responsible for the Information Technology Office is responsible for the following acts and regulations:

- *The Information Technology Office Regulations, 2007*
- *The Canadian Information Processing Society of Saskatchewan Act, 2005*

Appendix: ITO Organizational Chart



